



FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System

ACTION: Notice for comment regarding the Federal Reserve proposal to extend, with revision, the clearance under the Paperwork Reduction Act for the following information collection activity.

SUMMARY: The Board of Governors of the Federal Reserve System (Board or Federal Reserve) invites comment on a proposal to extend for three years, with revision, the Capital Assessments and Stress Testing information collection applicable to bank holding companies (BHCs) with total consolidated assets of \$50 billion or more and U.S. intermediate holding companies (IHCs) established by foreign banking organizations under 12 CFR 252.153 (FR Y-14A/Q/M; OMB No. 7100-0341).

On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act (PRA), to approve of and assign OMB numbers to collection of information requests and requirements conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA Submission, supporting

statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB number.

DATES: Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments, identified by *FR Y-14A/Q/M*, by any of the following methods:

- Agency Website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: regs.comments@federalreserve.gov. Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Robert deV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified

for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room 3515, 1801 K Street (between 18th and 19th Streets NW) Washington, DC 20006 between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer, Shagufta Ahmed, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235 725 17th Street, NW., Washington, DC 20503 or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, once approved. These documents will also be made available on the Federal Reserve Board's public website at: <http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer, Nuha Elmaghrabi, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3884. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

SUPPLEMENTARY INFORMATION:

Request for comment on information collection proposal

The following information collection, which is being handled under this delegated authority, has received initial Board approval and is hereby published for comment. At the end of the comment period, the proposed information collection, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

**Proposal to approve under OMB delegated authority the extension for three years
with revision of the following report:**

1. Report title: Capital Assessments and Stress Testing information collection.

Agency form number: FR Y-14A/Q/M.

OMB control number: 7100-0341.

Effective Dates: December 31, 2016 and December 31, 2017.

Frequency: Annually, semi-annually, quarterly, and monthly.

Respondents: The respondent panel consists of any top-tier bank holding company (BHC) or intermediate holding company (IHC) that has \$50 billion or more in total consolidated assets, as determined based on: (i) the average of the firm's total consolidated assets in the four most recent quarters as reported quarterly on the firm's Consolidated Financial Statements for Bank Holding Companies (FR Y-9C) (OMB No. 7100-0128); or (ii) the average of the firm's total consolidated assets in the most recent consecutive quarters as reported quarterly on the firm's FR Y-9Cs, if the firm has not filed an FR Y-9C for each of the most recent four quarters. Reporting is required as of the first day of the quarter immediately following the quarter in which it meets this asset threshold, unless otherwise directed by the Board.

Estimated annual reporting hours: FR Y-14A: Summary, 77,454 hours; Macro Scenario, 2,418 hours; Operational Risk, 702 hours; Regulatory Capital Transitions; 897 hours, Regulatory Capital Instruments, 819 hours; Retail Repurchase Exposures, 1,560 hours; Business Plan Changes, 390 hours; and Adjusted capital plan submission, 500 hours. FR Y-14Q: Retail, 2,496 hours; Securities, 2,184 hours; Pre-provision net revenue (PPNR), 110,916 hours; Wholesale, 23,712 hours; Trading, 46,224 hours; Regulatory Capital Transitions, 3,588 hours; Regulatory Capital Instruments, 8,112 hours; Operational risk, 7,800 hours; Mortgage Servicing Rights (MSR) Valuation, 1,728 hours; Supplemental, 624 hours; Retail Fair Value Option/Held for Sale (Retail FVO/HFS), 1,792 hours; Counterparty, 12,192 hours; and Balances, 2,496 hours; FR Y-14M: 1st lien mortgage, 228,660 hours; Home Equity, 197,760 hours; and Credit Card, 153,000 hours. FR Y-14 On-going automation revisions, 18,720 hours. FR Y-14 Attestation implementation, 14,400 hours; and On-going audit and review, 30,720 hours.

Estimated average hours per response: FR Y-14A: Summary, 993 hours; Macro Scenario, 31 hours; Operational Risk, 18 hours; Regulatory Capital Transitions, 23 hours; Regulatory Capital Instruments, 21 hours; Retail Repurchase Exposures, 20 hours; Business Plan Changes, 10 hours and Adjusted capital plan submission, 100 hours. FR Y-14Q: Retail, 16 hours; Securities, 14 hours; PPNR, 711 hours; Wholesale, 152 hours; Trading, 1,926 hours; Regulatory Capital Transitions, 23 hours; Regulatory Capital Instruments, 52 hours; Operational risk, 50 hours; MSR Valuation, 24 hours; Supplemental, 4 hours; Retail FVO/HFS, 16 hours; Counterparty, 508 hours; and Balances, 16 hours; FR Y-14M: 1st Lien Mortgage, 515 hours; Home Equity, 515 hours;

and Credit Card, 510 hours. FR Y-14 On-Going automation revisions, 480 hours. FR Y-14 Attestation Implementation, 4,800 hours; and On-going audit and review, 2,560 hours.

Number of respondents: 39.

Legal authorization and confidentiality: The FR Y-14 series of reports are authorized by section 165 of the Dodd-Frank Act, which requires the Board to ensure that certain firms and nonbank financial companies supervised by the Board are subject to enhanced risk-based and leverage standards in order to mitigate risks to the financial stability of the United States (12 U.S.C. 5365). Additionally, Section 5 of the Bank Holding Company Act authorizes the Board to issue regulations and conduct information collections with regard to the supervision of BHCs (12 U.S.C. 1844).

With regard to the CFO-level attestation requirement, which is intended to improve accountability and accuracy and heighten requirements for internal control, the Board has provided sufficient description and justification to require such attestation from respondents, consistent with the aforementioned statutory authorities.

As these data are collected as part of the supervisory process, they are subject to confidential treatment under exemption 8 of the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(8)). In addition, commercial and financial information contained in these information collections may be exempt from disclosure under exemption 4 of FOIA (5 U.S.C. 552(b)(4)), if disclosure would likely have the effect of (1) impairing the

government's ability to obtain the necessary information in the future, or (2) causing substantial harm to the competitive position of the respondent. Such exemptions would be made on a case-by-case basis. Such exemptions would be made on a case-by-case basis.

Abstract: The data collected through the FR Y-14A/Q/M schedules provide the Board with the additional information and perspective needed to help ensure that large BHCs and IHCs have strong, firm-wide risk measurement and management processes supporting their internal assessments of capital adequacy and that their capital resources are sufficient given their business focus, activities, and resulting risk exposures. The annual CCAR exercise is also complemented by other Board supervisory efforts aimed at enhancing the continued viability of large firms, including continuous monitoring of firms' planning and management of liquidity and funding resources and regular assessments of credit, market and operational risks, and associated risk management practices. Information gathered in this data collection is also used in the supervision and regulation of these financial institutions. In order to fully evaluate the data submissions, the Board may conduct follow-up discussions with or request responses to follow up questions from respondents, as needed.

The Capital Assessments and Stress Testing information collection consists of the FR Y-14A, Q, and M reports. The semi-annual FR Y-14A collects quantitative projections of balance sheet, income, losses, and capital across a range of macroeconomic scenarios and qualitative information on methodologies used to develop internal projections of capital

across scenarios.¹ The quarterly FR Y-14Q collects granular data on various asset classes, including loans, securities, and trading assets, and pre-provision net revenue (PPNR) for the reporting period. The monthly FR Y-14M comprises three retail portfolio- and loan-level collections, and one detailed address matching collection to supplement two of the portfolio and loan-level collections.

Current Actions: The Board proposes revising general FR Y-14 requirements and several schedules of the FR Y-14A/Q/M reports. The revisions would be effective with the FR Y-14 reports as-of December 31, 2016, or December 31, 2017, as noted below. For reports as-of December 31, 2017, the proposed changes include applying the attestation requirement to U.S. IHCs that will be subject to the Large Institution Supervision Coordinating Committee (LISCC) framework (“LISCC U.S. IHCs”)². For reports as-of December 31, 2016, the Board proposes adding a requirement for firms electing to undertake planned capital adjustments or incremental capital distribution requests to provide updated submissions of the FR Y-14A Schedule A (Summary - Capital) and Schedule C (Regulatory Capital Instruments, RCI) reflecting these adjustments (as detailed below). To facilitate this collection, the Board proposes adding additional items to the FR Y-14A Schedule C (RCI). Finally, the Board proposes to update the FR Y-14A, Schedule A.1.d. (Summary - Capital) to collect items related to the supplementary leverage ratio (SLR), remove and add sub-schedules to the FR Y-14A Schedule E (Operational Risk) to align with applicable guidance, add one item to Schedule A.5

¹ BHCs that must re-submit their capital plan generally also must provide a revised FR Y-14A in connection with their resubmission.

² Further information regarding the LISCC designation is available on the Board’s public website: <http://www.federalreserve.gov/bankinfo/large-institution-supervision.htm>

(Summary - Counterparty), and modify items on the FR Y-14A/Q/M reports to address inconsistencies across schedules and ensure the collection of accurate information. These changes are explained in further detail in the schedule specific sections below.

The FR Y-14A Schedule A.1.d. (Summary - Capital) would be revised for December 31, 2016, to (1) add certain items used to calculate the SLR in alignment with the Board's extension of the initial application of the SLR requirement in the capital plan rule;³ (2) modify two items; and (3) remove one item. In addition, one item to capture Other Counterparty Losses would be added to Schedule A.5 (Summary - Counterparty) effective December 31, 2016. Finally, Schedule E (Operational Risk) would be revised for December 31, 2016, to (1) remove sub-schedule E.1, BHC Operational Risk Historical Capital, (2) add two new sub-schedules: E.2, Material Risk Identification and E.3, Operational Risk Scenarios, and (3) update outdated methodologies and references.

The FR Y-14Q (quarterly collection) would be revised for December 31, 2016, to add a new column to Schedule B (Securities) to collect the price of the security as a percent of par to enhance supervisory modeling.

Finally, the FR Y-14M (monthly collection) would be revised for December 31, 2016, to modify the definition of Gross Charge-Off Amount on Schedule D (Credit Cards) in order to ensure proper reporting across firms.

³ See 12 CFR 225.8(c)(3), 12 CFR 252.53(b)(3).

These data are, or will be, used to assess the capital adequacy of BHCs and U.S. IHCs using forward-looking projections of revenue and losses to support supervisory stress test models and continuous monitoring efforts, as well as to inform the Board's operational decision-making as it continues to implement the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Proposed Revision to the FR Y-14A/Q/M

The Board proposes to add an attestation requirement to the FR Y-14A/Q/M reports for U.S. IHC respondents that will be subject to the LISCC framework. Foreign banking organizations with non-branch assets of \$50 billion or more were required to form a U.S. IHC by July 1, 2016. As of April 2016, the IHCs established by Barclays, Credit Suisse, UBS and Deutsche Bank are expected to be the LISCC U.S. IHC respondents. This requirement would be consistent with the existing attestation requirement applicable to U.S. BHCs subject to the LISCC framework (LISCC respondents).

On September 16, 2015, the Board published a notice in the Federal Register proposing to require a Chief Financial Officer (CFO) level attestation for LISCC respondents.⁴ On January 21, 2016, the Board finalized the attestation requirement for LISCC respondents, with a phased-in implementation approach beginning with the reports as-of December 31, 2016.⁵ The Board proposes applying an attestation

⁴ See 80 FR 55621 (September 16, 2015).

⁵ See 81 FR 3412 (January 21, 2016).

requirement to LISCC U.S. IHCs following a similar phased-in implementation approach, effective beginning December 31, 2017, and fully phased in by December 31, 2018. The proposed effective date would provide LISCC U.S. IHCs with time to develop the appropriate internal processes and procedures to fully implement the proposed attestation following the creation of their U.S. IHCs in July 2016, and the first filing of FR Y-14 reports as-of December 31, 2016.

As discussed in the final Federal Register notice adopting the attestation requirement for domestic LISCC respondents, the attestation requirement was designed to help ensure that the data reported to the Board were reliable and accurately reflect the firm's exposures.⁶ These data are integral to the Board's assessment of the safety and soundness of a banking organization, as the Board uses financial data reported by a banking organization to assess whether the banking organization has the capital necessary to absorb losses under stress.

The Board initially applied the attestation requirement to only LISCC respondents given the added resources required to implement the attestation.⁷ Similarly, the Board would propose to apply the attestation requirement only to those U.S. IHCs that will be subject to the LISCC framework, as the resources needed to ensure accurate data are

⁶ See 80 FR 55621 (September 16, 2015).

⁷ As noted in the preamble to the Federal Register notice (80 FR 55621, September 16, 2015), the attestation requirement may require respondents to enhance certain systems and processes in order to meet the attestation requirement, such as enhancing information technology infrastructure and adding or modifying internal control frameworks and data governance committees to include accountability and escalation processes, as well as to increase the frequency of audits of internal controls over the FR Y-14A/Q/M reports.

appropriate in light of the risks that the U.S. operations of these firms pose to the financial system.

Under the proposal the attestation would include three parts. First, for projected data reported on the FR Y-14A/Q and for actual data reported on the FR Y-14A/Q/M reports, collectively, the CFO (or equivalent senior officer⁸) of a LISCC U.S. IHC would be required to attest that the reports have been prepared in conformance with the instructions issued by the Board.⁹ Second, for actual data, the CFO (or equivalent senior officer) of a LISCC U.S. IHC would be required to attest that senior management is responsible for the internal controls over the reporting of these data, and that the data reported are materially correct to the best of senior management's knowledge. The CFO would also be required to attest that the controls are effective and include those practices necessary to provide reasonable assurance as to the accuracy of these data. The CFO would be required to attest that the controls are audited annually by internal audit or compliance staff, and are assessed regularly by management of the named institution. For the third part, the CFO would be required to agree to report material weaknesses in these internal controls and any material errors or omissions in the data submitted to the Board promptly as they are identified. Both domestic LISCC firms and LISCC U.S. IHCs

⁸ "An equivalent senior officer" refers to a senior officer who functions as the CFO but carries a different title.

⁹ The instructions define the scope and content of items that must be reported, and specify that the reports must be filed in accordance with U.S. generally accepted accounting principles (GAAP). The instructions further state that respondents should maintain financial records in such a manner and scope to ensure the FR Y-14A/Q/M reports reflect a fair presentation of the HCs' financial condition and assessment of performance under stressed scenarios.

subject to the attestation requirement should have a policy in place for determining materiality in the context of attesting to material correctness and internal controls.¹⁰

As indicated above, the Board proposes that the attestation for LISCC U.S. IHCs would follow a phased-in implementation approach beginning December 31, 2017. The attestation submitted with reports as-of December 31, 2017, would relate to the effectiveness of internal controls over submissions for the as-of date and would not include an attestation to submissions through the year. Beginning with the monthly FR Y-14M report submitted on January 31, 2018, and for each monthly, quarterly and semi-annual FR Y-14 report submitted thereafter, respondents would attest to conformance with the FR Y-14 instructions and to the material correctness of data to the best of the respondent's knowledge, and agree to report material weaknesses and any material errors in the data as they are identified. The full attestation requirement, including attestation to the effectiveness of internal controls throughout the previous year, would be effective starting with the reports submitted as-of December 31, 2018. The attestation pages submitted by LISCC U.S. IHCs would be the same as those used by LISCC BHCs.

Proposed Requirement to Submit Adjusted Capital Action Data

¹⁰ The materiality policy should include a robust analysis of all relevant quantitative and qualitative considerations, including, but not limited to, the size and effect of the omission or misstatement on firms' projected regulatory capital ratios in stressed scenarios. Qualitative factors may result in a conclusion that a small change in regulatory capital ratios is considered material. Those circumstances might include the repeat occurrence of errors and omissions, the proximity of a firm's regulatory capital ratios to minimum capital requirements, and whether errors and omissions could change a knowledgeable person's view of the adequacy of internal controls over the capital adequacy process.

The Board proposes to require additional submissions of certain FR Y-14 schedules to collect information on adjustments to planned capital actions and incremental capital distribution from firms that have elected to make such adjustments, effective with the reports as-of December 31, 2016. An ad-hoc process is currently used to collect this information, which is necessary if, for example, firms intend to exercise the option to adjust their planned capital distributions based on the preliminary results of the supervisory quantitative assessment in CCAR.¹¹ Given the time-sensitive nature of the collection, current manual collection processes, and ongoing need for firms to submit the data, formalizing the requirement as part of the FR Y-14 would reduce operational risk, establish a regular, standard submission process, and account for the burden of providing these data. Additionally, it would formalize a standard process for firms to employ in submitting information regarding requests to make incremental capital distributions above those included in their capital plans.

The proposed requirement includes two components. First, for adjustments to planned capital actions, firms would be required to submit an updated FR Y-14A Schedule A.1.d (Summary, Capital - CCAR) for the BHC Baseline, Supervisory Adverse, and Supervisory Severely Adverse scenarios and an updated FR Y-14A Schedule C (RCI). These submissions would be collected subsequent to the firms' annual FR Y-14 submission in a timeframe communicated by the Board of at least 14 calendar days in advance of the submission. Second, for incremental capital action requests (i.e. requests for additional capital distributions in the period between CCAR exercises), firms would

¹¹ The CCAR Instructions provide further information regarding adjustments a BHC may make to its planned capital distributions: <http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20160128a1.pdf>

be required to resubmit the FR Y-14A Schedule C (RCI). The incremental capital action requests would be submitted at the time a firm seeks approval for or notifies the Board of its intention to make additional capital distributions.

To allow for the collection of the information necessary to understand these adjustments, the Board proposes adding certain items to the FR Y-14A Schedule C (RCI) including: (1) cash dividends declared on preferred stock, (2) cash dividends declared on common stock, (3) common shares outstanding (Millions), and (4) common dividends per share (\$).

Proposed Revisions to the FR Y-14A

The proposed revisions to the FR Y-14A consist of adding data items in accordance with the finalized modifications to the capital plan and stress test rules (Regulation Y and YY),¹² and modifying existing data items to provide more precise information. The limited changes to Schedule A.1.d (Capital) are expected to require relatively minimal additional burden on firms and in the case of the SLR items are required in accordance with mandatory capital planning requirements. The proposed changes to Schedule E (Operational Risk) would balance the increase in burden due to the addition and modification of items to align with expectations outlined in SR Letter 15-18 with the reduction in burden from the elimination of the outdated and unnecessary data collection.

¹² See 80 FR 75419 (December 2, 2015).

Schedule A (Summary)

Revisions to Schedule A.1.d (Capital) In accordance with the finalized amendments to the capital plan and stress test rules, a firm will be required to estimate its supplementary leverage ratio (SLR) for the DFAST/CCAR planning horizon beginning January 1, 2018.¹³ To facilitate the mandatory reporting of this information, it is necessary to add SLR items to the FR Y-14A report. The Board proposes adding two items to the FR Y-14A Summary Schedule (A.1.d, Capital) report as-of December 31, 2016: Supplementary Leverage Ratio Exposure (SLR Exposure) and Supplementary Leverage Ratio (the SLR). The SLR would be a derived field.

In addition, to collect more precise information regarding deferred tax assets (DTAs), the Board proposes modifying one existing item on the FR Y-14A Schedule A.1.d (Summary - Capital) as-of December 31, 2016. The Board proposes changing existing item 111 on Schedule A.1.d. (Summary - Capital), “Deferred tax assets arising from temporary differences that could not be realized through net operating loss carrybacks, net of DTLs, but before related valuation allowances”, to “Deferred tax assets arising from temporary differences, net of DTLs.” A firm in a net deferred tax liability (DTL) position would report this item as a negative number. This modification would provide more specific information about the components of the “DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs” subject to the common equity tier 1 capital deduction threshold.

¹³ See 12 CFR 225.8(c)(3), 12 CFR 252.53(b)(3).

The Board also proposes removing Schedule HC-M, Memoranda item 107, “Total number of bank holding company common shares outstanding”, from the FR Y-14A Schedule A (Summary – Capital) with the reports as-of December 31, 2016, to reduce burden on firms. This item provides minimal additional value and therefore, is no longer needed.

Finally, to reduce the risk of inconsistencies in reporting and align with other regulatory reports, certain definitions in the instructions for the FR Y-14A Schedule A.1.d (Summary - Capital) would be clarified or streamlined to reference comparable items on the FR Y-9C.

Revisions to Schedule A.5 (Counterparty) The Board proposes adding the item “Other counterparty losses” to Schedule A.5 (Summary – Counterparty), similar to the item that was removed with the proposal finalized October 1, 2014.¹⁴ The Board provides guidance to respondents to include risks not considered in the supervisory scenarios and the addition of this item will allow these risks to be captured. This change is proposed to be effective with the reports as-of December 31, 2016.

Schedule E (Operational Risk)

The Board proposes several changes to the FR Y-14A Schedule E (Operational Risk) for the reports as-of December 31, 2016, to align with the guidance and expectations contained in recent supervisory letters, notably SR Letter 15-18. SR Letter

¹⁴ See 79 FR 59264 (October 1, 2014).

15-18 outlines expectations regarding a firm's risk management infrastructure and strength of associated processes.

In order to capture the information surrounding the risk management infrastructure and processes as outlined in SR Letter 15-18, the Board proposes adding two sub-schedules to the FR Y-14A Schedule E (Operational Risk) and modifying the supporting documentation requirements for this schedule effective with the reports as-of December 31, 2016. First, new sub-schedule E.2, Material Risk Identification, would collect information on a firm's material operational risks included in loss projections based on their risk management framework, a component of risk management emphasized in SR Letter 15-18. Second, new sub-schedule E.3, Operational Risk Scenarios, would collect a firm's operational risk scenarios included in the BHC Baseline and BHC Stress projections, a fundamental element of the framework. Finally, the Board recommends updating the requirements for supporting documentation and modifying certain terminology, definitions, and references to align with SR Letter 15-18.

Certain information related to the previous methodology are no longer necessary to collect given the aforementioned change in guidance, resulting in the proposed removal of these items and updating of associated terminology. Sub-schedule E.1 (BHC Operational Risk Historical Capital) would be removed as this schedule pertains to Advanced Measurement Approaches (AMA) methodology and these data are no longer necessary. This change in methodology also results in the removal of two associated columns on the FR Y-14A Schedule A.6 (Operational Risk Scenario Inputs and

Projections): Type of Data and Brief Description. References to previous methodology would be updated, including changing the name of a column on the FR Y-14A Schedule A.6 (Operational Risk Scenario Inputs and Projections) from Units of Measure to Risk Segment. These changes would also be effective with the report as-of December 31, 2016.

Proposed Revisions to the FR Y-14Q

The proposed revision to the FR Y-14Q consists of adding an item to more accurately collect information that is currently derived. This proposed change would allow for more accurate and consistent reporting of information with minimal anticipated burden on respondents.

Schedule B (Securities)

For reports as-of December 31, 2016, the Board proposes adding a new column to the FR Y-14Q Schedule B.1 (Securities 1 - Main Schedule) to collect the price of the security to more accurately collect price information and thereby enhance supervisory modeling. Because this information is believed to be readily available, the Board estimates this revision would impose minimal additional burden while improving the ability to use these data.

Proposed Revisions to the FR Y-14M

Schedule D (Credit Card)

For reports as-of December 31, 2016, the Board proposes modifying the definition of Item 62, Gross Charge-off Amount – Current month to reflect the intended method of reporting the item and in response to industry comments. The definition would be modified to indicate that all gross charge-offs must be reported regardless of whether they are from purchased or impaired loans by eliminating the reference to allowance for loan and lease losses (ALLL).

Board of Governors of the Federal Reserve System, July 25, 2016.

Robert deV. Frierson

Secretary of the Board.

Billing Code 6210-01-P

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